



SOUTHWEST VIRGINIA COMMUNITY COLLEGE

REVIEW REPORT FOR THE YEAR ENDED JUNE 30, 2014

Auditor of Public Accounts
Martha S. Mavredes, CPA

www.apa.virginia.gov

(804) 225-3350





Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

March 9, 2015

Dr. J. Mark Estepp
President, Southwest Virginia Community College

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

We have reviewed the accompanying Statement of Net Position of **Southwest Virginia Community College** as of June 30, 2014, and the related Statement of Revenues, Expenses, and Changes in Net Position for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of College management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion. We did not perform review procedures on the activity of the Southwest Virginia Community College Educational Foundation, a discretely presented component unit of Southwest Virginia Community College, which is presented in the accompanying financial statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Southwest Virginia Community College is one of 23 community colleges that comprise the Virginia Community College System, which is a component unit of the Commonwealth of Virginia. Federal funds received by the Commonwealth of Virginia are audited at a statewide level by the Auditor of Public Accounts under the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133. As a major program, the Auditor of Public Accounts audits Federal Student Financial Aid at Virginia's state-supported colleges and universities generally on a triennial cyclic basis. The Auditor of Public Accounts audited Southwest Virginia Community College's Federal Student Aid programs in fiscal years 2011 and 2014 and did not report any material compliance issues. Copies of our audits of the system-wide financial statements of the Virginia Community College System along with copies of our statewide Single Audits may be found on our website at www.apa.virginia.gov.

This report is intended solely for the information and use of the accreditation review board and is not intended to be and should not be used by anyone other than this specified party. However, this report is a matter of public record and its distribution is not limited.

AUDITOR OF PUBLIC ACCOUNTS

EMS/clj

Virginia Community College System
Southwest Virginia Community College
Statement of Net Position
As of June 30, 2014

	Community College	Component Unit Southwest Virginia Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,967,279	\$ 4,133,686
Short term investments	147,584	14,139,494
Accounts receivable, net	176,341	-
Pledges receivable	-	741
Due from system office	265,874	-
Prepaid expenses	-	11,321
Inventories	6,048	-
Notes receivable, net	11,825	-
Total Current Assets	<u>3,574,951</u>	<u>18,285,242</u>
Noncurrent Assets		
Other long-term investments	1,575,935	-
Accounts receivable, net	1,493	-
Due from Commonwealth	5,005	-
Notes receivable, net	22,734	-
Non-depreciable capital assets, net	625,357	719,719
Depreciable capital assets, net	28,483,772	3,886,040
Total Noncurrent Assets	<u>30,714,296</u>	<u>4,605,759</u>
Total Assets	<u>34,289,247</u>	<u>22,891,001</u>
Deferred Outflows of Resources	-	-
Total Assets and Deferred Outflows of Resources	<u>34,289,247</u>	<u>22,891,001</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable	487,687	17,083
Accrued payroll expense	1,047,552	-
Unearned revenue	494,562	-
Long-term liabilities-current portion	597,427	-
Securities lending obligation	698	-
Due to Commonwealth	3,500	-
Deposits	49,700	-
Total Current Liabilities	<u>2,681,126</u>	<u>17,083</u>
Noncurrent Liabilities		
Long-term liabilities	791,693	-
Total Noncurrent Liabilities	<u>791,693</u>	<u>-</u>
Total Liabilities	<u>3,472,819</u>	<u>17,083</u>
Deferred Inflows of Resources	-	-
Total Liabilities and Deferred Inflows of Resources	<u>3,472,819</u>	<u>17,083</u>
Net Position		
Net investment in capital assets	28,729,122	4,605,759
Restricted for:		
Expendable	(273,674)	8,539,478
Unrestricted	2,360,980	9,728,681
Total Net Position	<u>\$ 30,816,428</u>	<u>\$ 22,873,918</u>

See Independent Accountant's Review Report

Virginia Community College System
Southwest Virginia Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2014

	Community College	Component Unit Southwest Virginia Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$3,672,094)	\$ 2,997,926	\$ -
Federal grants and contracts	4,505,096	-
State and local grants	609,443	-
Nongovernmental grants	87,696	-
Auxiliary enterprises (net of scholarship allowance of \$13,165)	67,914	-
Gifts and contributions	-	3,707,519
Other operating revenues	462,028	31,312
Total Operating Revenue	8,730,103	3,738,831
Expenses		
Operating Expenses		
Instruction	8,408,749	-
Public service	316,124	-
Academic support	2,846,760	544,902
Student services	3,671,779	-
Institutional support	2,318,693	-
Operation and maintenance	2,261,147	168,550
Scholarships and fellowships	2,757,031	385,455
Auxiliary enterprises	96,451	-
Fundraising	-	35,869
Other expenses	54,716	-
Total Operating Expenses	22,731,450	1,134,776
Operating Income (Loss)	(14,001,347)	2,604,055
Nonoperating Revenues(Expenses)		
State appropriations	7,614,141	-
Local appropriations	198,773	-
Grants and gifts	8,221,048	-
Investment income	39,403	1,982,426
Interest on capital asset related debt	(20,707)	-
Other nonoperating revenue (expense)	(2,452,765)	-
Net Nonoperating Revenue	13,599,893	1,982,426
Income before other revenues, expenses gains (losses)	(401,454)	4,586,481
Capital appropriations-state	98,356	-
Capital appropriations-local	37,007	-
Capital gifts, grants and contracts	67,540	134,495
Increase (Decrease) in Net Position	(198,551)	4,720,976
Net Position		
Net Position beginning of year	31,014,979	18,152,942
Net Position end of year	\$ 30,816,428	\$ 22,873,918

See Independent Accountant's Review Report